

1 SB261  
2 188661-2  
3 By Senators Dial and Beasley  
4 RFD: County and Municipal Government  
5 First Read: 30-JAN-18

2  
3  
4  
5  
6  
7  
8 SYNOPSIS: Under existing law, counties have the option  
9 to sell their outstanding tax liens on real  
10 property. The purchaser of the tax liens obtains  
11 the right to collect all delinquent taxes,  
12 penalties, interest, and costs with respect to the  
13 property.

14 This bill would revise the tax lien sale  
15 procedures for counties to authorize tax liens to  
16 be sold at auction to the bidder with the lowest  
17 interest rate.

18  
19 A BILL  
20 TO BE ENTITLED  
21 AN ACT

22  
23 Relating to tax lien sales; to amend Sections  
24 40-10-180, 40-10-181, 40-10-182, 40-10-183, 40-10-184,  
25 40-10-185, 40-10-186, 40-10-187, 40-10-188, 40-10-189,  
26 40-10-190, 40-10-191, 40-10-192, 40-10-193, 40-10-194,  
27 40-10-195, 40-10-196, 40-10-197, and 40-10-198, Code of

1 Alabama 1975; to add Sections 40-10-199 and 40-10-200 to the  
2 Code of Alabama 1975; to provide an auction process for the  
3 sale of tax liens; to provide for counties to issue tax lien  
4 certificates for certain fees on the lands which have been  
5 sold at certain sales to individuals; to prescribe the  
6 significance of and authority associated with a tax lien  
7 certificate; to provide for payment of taxes on lands  
8 purchased at tax lien sales by holders of tax lien  
9 certificates; to provide for distribution of monies received  
10 from tax lien sales and to provide for certain redemption  
11 procedures including a procedure to allow the holder of a tax  
12 lien certificate to foreclose redemption rights after a period  
13 of time.

14 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

15 Section 1. Sections 40-10-180, 40-10-181, 40-10-182,  
16 40-10-183, 40-10-184, 40-10-185, 40-10-186, 40-10-187,  
17 40-10-188, 40-10-189, 40-10-190, 40-10-191, 40-10-192,  
18 40-10-193, 40-10-194, 40-10-195, 40-10-196, 40-10-197, and  
19 40-10-198, Code of Alabama 1975, are amended to read as  
20 follows:

21 "§40-10-180.

22 ~~"The Legislature finds all of the following:~~

23 ~~"(1) It is estimated that Alabama counties, which~~  
24 ~~collect tax for themselves and other governmental entities~~  
25 ~~within their counties, have several million dollars~~  
26 ~~outstanding as accounts receivable from unpaid secured roll~~  
27 ~~real property tax obligations. These obligations owed to~~

1 ~~Alabama counties have largely been under-performing assets~~  
2 ~~that could be converted to cash and provide counties and other~~  
3 ~~governmental entities with much needed revenues.~~

4 ~~"(2) Many counties and other governmental entities~~  
5 ~~have had to reduce essential services and curtail some~~  
6 ~~functions that have historically been performed by government.~~  
7 ~~Public protection agencies in many of these counties and other~~  
8 ~~governmental entities have had law enforcement positions~~  
9 ~~reduced or eliminated.~~

10 ~~"(3) The Legislature declares that the purpose of~~  
11 ~~Act 95-408 this article is to provide counties with an~~  
12 ~~alternative remedy for collecting delinquent property taxes by~~  
13 ~~the sale of a tax lien ~~the option of selling their outstanding~~~~  
14 ~~secured roll real property tax accounts receivable and thereby~~  
15 ~~realize immediate cash in order to meet the ongoing services~~  
16 ~~required by counties and the other governmental entities for~~  
17 ~~which the counties collect tax. Upon such a sale, the~~  
18 ~~purchaser of the receivables obtains the right to collect all~~  
19 ~~outstanding delinquent taxes, penalties, interest, and costs~~  
20 ~~with respect thereto.~~

21 ~~"§40-10-181.~~

22 ~~"For purposes of Act 95-408, this article, the~~  
23 ~~following terms shall have the following meanings: "tax lien"~~

24 ~~"(1) TAX COLLECTING OFFICIAL. The elected or~~  
25 ~~appointed person responsible for collecting ad valorem taxes~~  
26 ~~in a county.~~

1           "(2) TAX LIEN. ~~means the~~ The perpetual first  
2 priority lien provided by Section 40-1-3 against any parcel of  
3 real property representing taxes assessed and levied against  
4 the property, together with interest, penalties, fees, and  
5 costs applicable by law to the taxes.

6           "(3) TAX LIEN AUCTION. The public sale of all tax  
7 liens advertised under Section 40-10-182 and held no earlier  
8 than March 1 or later than June 15 of the current ad valorem  
9 tax year where the awarding of the tax lien certificate is  
10 based on the lowest interest rate bid on a tax lien.

11           "(4) TAX LIEN SALE. The sale of an unsold tax lien  
12 by private sale between a tax collecting official and the  
13 purchaser of a tax lien under Section 40-10-199.

14           "(5) UNIFORM PARCEL NUMBER. The unique parcel  
15 identification number assigned to the parcel of property for  
16 ad valorem tax purposes based on the tax lien date of the  
17 current tax year.

18           "§40-10-182.

19           "(a) All tax liens representing unpaid and  
20 delinquent taxes on real property shall be subject to a tax  
21 lien auction or a tax lien sale as provided in Act 95-408.

22           "(b) (1) The tax collector collecting official of any  
23 county shall conduct a public auction ~~may adopt a procedure~~  
24 for the sale and transfer of delinquent tax liens. ~~by the tax~~  
25 ~~collector, subject to Act 95-408. Tax liens may be sold~~  
26 ~~individually or in any lot or block to any person and pursuant~~  
27 ~~to any procedure deemed appropriate by the tax collector. Any~~

1 ~~procedure for the~~ The sale of tax liens adopted pursuant to  
2 ~~this section shall provide for notice to~~ tax collecting  
3 ~~official shall notify~~ the delinquent taxpayer of the ~~sale~~  
4 ~~auction at least seven days prior to the tax lien auction by~~  
5 ~~first class mail and by any one of the following:~~

6 "a. Advertising for one week in a newspaper with  
7 general circulation in the county where the property is  
8 located.

9 "b. Advertising on an online website controlled by  
10 the tax collecting official.

11 "c. Posting at the courthouse of the county and if  
12 possible in a public place in the precinct where the property  
13 is located.

14 "(2) The notices shall declare the time and location  
15 of the auction. in a manner and at a time deemed appropriate  
16 by the tax collector.

17 "(c) The tax collector collecting official may  
18 auction or sell tax liens representing delinquent taxes for  
19 any prior year taxes are delinquent and unpaid of assessment,  
20 provided that any single tax lien to be sold shall relate to  
21 only one year of assessment and shall not be aggregated with  
22 any other tax lien for another year on the same parcel.

23 "(d) Except as otherwise provided in Act 95-408, a  
24 tax lien sale with respect to any delinquent property shall be  
25 in lieu of all other remedies provided by law for the  
26 collection of delinquent taxes for the relevant year of  
27 assessment by the county or the tax collector.

1           "§40-10-183.

2           "Prior to any tax lien ~~sale~~ auction, the tax  
3 ~~collector~~ collecting official shall prepare and maintain a  
4 list of all tax liens. The list shall be known as the tax lien  
5 ~~sale~~ auction list and shall contain all of the following:

6           "(1) The names of the several persons appearing in  
7 the latest tax roll as the respective owners of tax-delinquent  
8 properties.

9           "(2) A description of each property as it appears in  
10 the latest tax roll.

11           "(3) The year or years for which taxes are  
12 delinquent on each property.

13           "(4) The principal amount of the delinquent taxes  
14 and the amount of accrued and accruing interest thereon and  
15 penalties, fees, and costs to the day of the proposed tax lien  
16 ~~sale~~ auction relating to each year of assessment.

17           "§40-10-184.

18           "~~(a) Tax lien sales shall be conducted by the tax~~  
19 ~~collector on the dates and times directed by the tax~~  
20 ~~collector.~~ On the day and time designated for a tax lien ~~sale~~  
21 auction, the tax ~~collector~~ collecting official shall proceed  
22 to ~~sell~~ auction, pursuant to the procedure adopted by him or  
23 ~~her~~, all tax liens described in the tax lien ~~sale~~ auction list  
24 compiled as provided in Section 40-10-183, except those for  
25 which the taxes, penalties, interest, fees, and costs thereon  
26 have been paid or deferred. Any ~~delinquent property for which~~  
27 a tax lien ~~remains~~ unsold after a tax lien ~~sale~~ auction shall

1 be ~~subject to any other remedies provided by law for the~~  
2 ~~collection of the delinquent taxes~~ retained by the county for  
3 future auction or sale as provided in this article.

4 "(b) ~~Where two or more lots or parcels are assessed~~  
5 ~~as one parcel, the tax liens on them may be sold as a single~~  
6 ~~tax lien on one parcel~~ A tax lien shall be sold at auction  
7 pursuant to this article to the person who pays all taxes,  
8 interest, penalties, fees, and costs due on the property,  
9 including an origination cost of twenty dollars (\$20) as of  
10 the date of auction and a twenty dollar (\$20) auction fee, and  
11 who in addition bids the lowest interest rate on the amount  
12 paid to redeem the property from the sale. The beginning  
13 interest rate bid shall not exceed a rate of 12 percent and  
14 additional bids may be made at a rate less than the  
15 immediately preceding bid.

16 "(c) ~~The sale of a tax lien does not extinguish any~~  
17 ~~deed restriction, deed covenant, or easement on or appurtenant~~  
18 ~~to the parcel.~~ A tax lien offered for auction or sale shall be  
19 identified by a Uniform Parcel Number and a legal description.

20 "§40-10-185.

21 "When a tax lien is offered for auction or sale, it  
22 shall not be necessary to list, auction, or sell it as being  
23 against the property of any specific person. The auction or  
24 sale is not invalid by reason of the fact that the property  
25 was assessed in the name of a person other than the rightful  
26 owner or to a person unknown, if the description and the  
27 Uniform Parcel Number of the real estate in the tax lien ~~sale~~



1 auction list is sufficient to identify it and ~~includes~~ the  
2 amount of taxes, interest, penalties, fees, and costs for  
3 which its tax lien is to be auctioned or sold.

4 "§40-10-186.

5 "(a) The purchase price for a tax lien shall be the  
6 amount of delinquent taxes plus any interest, penalties, fees,  
7 and costs ~~incurred by the tax collector~~ accrued as of the date  
8 of the auction or sale.

9 "(b) The purchase price for a tax lien shall be paid  
10 to the tax ~~collector~~ collecting official in cash or  
11 immediately available certified funds not later than one hour  
12 before close of business on the date of the auction or sale.

13 "(c) The purchase price for a tax lien received by  
14 the tax ~~collector~~ collecting official shall be credited to the  
15 tax ~~collector~~ collecting official for purposes of calculating  
16 commissions, if any, on taxes collected by the tax ~~collector~~  
17 collecting official pursuant to Section 40-5-4.

18 "§40-10-187.

19 "(a) The tax ~~collector~~ collecting official shall  
20 make, execute, and deliver a tax lien certificate to each  
21 purchaser at ~~the~~ a tax lien sale or auction or to each  
22 assignee thereafter and shall collect from the purchaser or  
23 assignee a fee of ~~one dollar (\$1)~~ five dollars (\$5) for each  
24 tax lien certificate. The tax lien certificate shall be in a  
25 form provided by the Department of Revenue and shall also  
26 include a certificate of redemption form as provided in  
27 Section 40-10-194.

1           "(b) A tax lien certificate shall evidence the  
2 auction or sale or assignment to the holder of the tax lien  
3 certificate of the delinquent and unpaid taxes, penalties,  
4 interest, fees, and costs set forth therein and represented by  
5 the tax lien, ~~and the right to receive amounts in respect~~  
6 ~~thereof as provided in Act 95-408.~~

7           "(c) A tax lien certificate shall bear the interest  
8 ~~at the rate of 12 percent per annum~~ as bid on by the purchaser  
9 at the tax lien auction or as agreed upon by the purchaser at  
10 the tax lien sale, ~~on the amount of all taxes, penalties,~~  
11 ~~interest, and costs due on the property from the date of the~~  
12 ~~sale of the tax lien to the original purchaser~~ until the tax  
13 lien certificate is redeemed as provided pursuant to Section  
14 40-10-193 ~~by law, or the property is sold pursuant to a decree~~  
15 ~~for sale of real estate required by Section 40-10-11.~~

16           "(d) The tax lien certificate shall do all of the  
17 following:

18           "~~(i) describe~~ (1) Describe the real property on  
19 which a tax lien is auctioned or sold as it is described in  
20 the tax lien ~~sale~~ auction list~~7.~~

21           "~~(ii) specify~~ (2) Specify the date on which the tax  
22 lien was auctioned or sold to the original purchaser~~7.~~

23           "~~(iii) specify~~ (3) Specify the year of assessment to  
24 which the tax lien relates and the amount for which the tax  
25 lien was auctioned or sold to the original purchaser~~7.~~

26           "~~(iv) recite~~ (4) Recite the amount of all taxes,  
27 penalties, interest, fees, and costs due on the property,

1 which relate to the year of assessment described in ~~(iii)~~  
2 ~~above~~ subdivision (3), as of the date specified in ~~(ii) above~~  
3 subdivision (2), ~~and .~~

4 "~~(v) recite~~ (5) Recite that the certificate bears  
5 interest at the rate per annum bid on by the purchaser at the  
6 tax lien auction of 12 percent per annum or agreed upon at the  
7 tax lien sale on the amount described in ~~(iv) above~~  
8 subdivision (4) from the date specified in ~~(ii) above~~  
9 subdivision (2).

10 "(e) The purchaser of a tax lien certificate may  
11 transfer and assign the certificate to any person, and the  
12 transferee of a tax lien certificate may subsequently transfer  
13 the certificate to any other person. The transferor of a tax  
14 lien certificate shall endorse the certificate and shall swear  
15 to the endorsement before a notary public or other officer  
16 empowered to administer oaths. The transferee shall present  
17 the endorsed tax lien certificate to the tax ~~collector~~  
18 collecting official who prepared and ~~sold~~ executed the  
19 certificate, or his or her successor, who, for a fee of ~~one~~  
20 ~~dollar (\$1)~~ five dollars (\$5), shall acknowledge the transfer  
21 on the certificate and shall make note of the transfer on the  
22 record of tax lien auctions and sales kept as provided in  
23 Section 40-10-188. An assignment and transfer as provided in  
24 this subsection shall vest in the assignee all the right and  
25 title of the original purchaser.

1           "(f) A security interest in a tax lien certificate  
2 may be created and perfected in the manner provided for  
3 general intangibles under Title 7.

4           "(g) Within 10 days of a completed tax lien auction  
5 or sale, the tax collecting official shall send notice to the  
6 property owner for whom the property was assessed informing  
7 the property owner that the tax lien has been auctioned or  
8 sold. The notice shall include the date of auction or sale and  
9 the name and address of the purchaser and shall be made by  
10 first class mail to the address listed in the assessment.

11           "§40-10-188.

12           "The tax ~~collector~~ collecting official shall make a  
13 correct record of all auctions and sales of tax liens ~~pursuant~~  
14 ~~to Act 95-408~~ in a durable book or an electronic file, which  
15 shall be known as the record of tax lien auctions and sales,  
16 containing all of the following:

17           "(1) The date of auction or sale.

18           "(2) A description of each parcel and uniform parcel  
19 number on which a tax lien was auctioned or sold.

20           "(3) The year of assessment to which the tax lien  
21 relates.

22           "(4) The name and address of the property owner for  
23 whom the property was assessed, if known.

24           "(5) The name and address of the original purchaser  
25 of the tax lien.

26           "(6) The total amount of taxes, interest, penalties,  
27 fees, and costs due on the tax lien, which relate to the year

1 of assessment, as described in Section 40-10-187, as of the  
2 date of the auction or sale of the tax lien to the original  
3 purchaser.

4 "(7) The interest rate bid on by the purchaser at  
5 the tax lien auction or as agreed by the purchaser at the tax  
6 lien sale.

7 "~~(7)~~ (8) The amount of any subsequent taxes,  
8 penalties, interest, fees, and costs paid by the original  
9 purchaser, or assignee, of the tax lien certificate as  
10 provided in Section 40-10-191 and the year of assessment to  
11 which the payment relates.

12 "~~(8)~~ (9) The name and address of the assignee, if  
13 any, and the date of assignment of the tax lien certificate.

14 "~~(9)~~ (10) The name and address of the person  
15 redeeming and the date of redemption.

16 "~~(10)~~ (11) The total amount paid for redemption.

17 "~~(11) The date of any decree of sale pursuant to~~  
18 ~~Section 40-10-11 with respect to the property.~~

19 "§40-10-189.

20 "~~For purposes of Act 95-408, The~~ "holder of the tax  
21 lien certificate" means the original purchaser of a tax lien  
22 or any assignee thereof as described in the record of tax lien  
23 auctions and sales kept by the tax ~~collector~~ collecting  
24 official pursuant to Section 40-10-188.

25 "§40-10-190.

26 "When a tax lien certificate is lost or destroyed,  
27 the holder of the tax lien certificate may file a notarized

1 affidavit with the tax ~~collector~~ collecting official attesting  
2 to the loss of the certificate. Upon presentation of the  
3 notarized affidavit, the tax ~~collector~~ collecting official,  
4 ~~shall~~ on payment of a fee of ~~ten~~ fifty dollars ~~(\$10)~~ (\$50),  
5 shall issue to the holder thereof an exact duplicate of the  
6 tax lien certificate.

7 "§40-10-191.

8 "(a) The holder of ~~an outstanding~~ a tax lien  
9 certificate shall have the first right to purchase the tax  
10 lien relating to a subsequent delinquency on the property  
11 described in the tax lien certificate of the holder, ~~by~~  
12 ~~notifying the tax collector within the time allowed by the~~  
13 ~~procedures established by the tax collector pursuant to Act~~  
14 ~~95-408.~~ A holder of the certificate who exercises this right  
15 shall be entitled to the same interest rate as shown on the  
16 previous tax lien certificate. The owner of the property may  
17 pay the current year taxes due once the property owner redeems  
18 all outstanding tax liens on the property.

19 "(b) ~~If the holder fails to acquire the subsequent~~  
20 ~~tax lien within the time period specified in subsection (a),~~  
21 ~~the tax collector shall be free to pursue any other remedy~~  
22 ~~provided by law for the collection of the delinquent tax.~~ A  
23 mortgagee as the holder of a tax lien certificate may add all  
24 costs, fees, interest, penalties, and taxes regarding the tax  
25 sale to the principal of the loan.

26 "(c) A holder of a tax lien certificate may abandon  
27 the certificate at any time upon notification given to the tax

1 collecting official and the surrender of the tax lien  
2 certificate. Abandonment of a tax lien certificate  
3 relinquishes all rights of recovery of any monies or expenses.

4 "§40-10-192.

5 "All monies collected or received by the tax  
6 ~~collector~~ collecting official as proceeds of a tax ~~sale~~ lien  
7 auction or sale pursuant to Act 95-408 shall be distributed in  
8 the same manner and proportions as the tax ~~collector~~  
9 collecting official is required by law to distribute other  
10 monies collected by him or her in satisfaction of ad valorem  
11 taxes. All penalties, costs, and fees collected by the tax  
12 collecting official shall be paid to the general fund of the  
13 county.

14 "§40-10-193.

15 "(a) (1) Tax liens auctioned or sold under Act 95-408  
16 may be redeemed by any of the following:

17 "a. the The owner, or his or her agent, assignee, or  
18 attorney, heirs or personal representative.

19 "b. Any mortgagee or purchaser of the property or  
20 any portion of the property.

21 "c. or by any Any other person who would be entitled  
22 to redeem under subsection (a) of Section 40-10-120, Code of  
23 Alabama 1975, if the property had been sold for taxes. having  
24 a legal or equitable claim in the underlying property, at any  
25 time prior to entry of a decree of sale in an action  
26 authorized by Section 40-10-11

1           "(2) Property may be redeemed under subdivision (1)  
2 by payment to the tax ~~collector~~ collecting official of the  
3 amount specified on the tax lien certificate as the total  
4 amount of delinquent tax, interest, ~~penalty,~~ penalties, fees,  
5 and costs ~~due on the delinquent property~~ paid to purchase the  
6 tax lien, plus interest at the rate specified in the tax lien  
7 certificate, plus any current and unpaid taxes, interest,  
8 penalties, fees, and costs due. The tax collecting official  
9 shall provide a separate receipt for any current taxes,  
10 interest, penalties, fees, or costs paid.

11           "(b) Statutory fees paid by the holder of the tax  
12 lien certificate in connection with the tax lien certificate  
13 shall be added to the amount payable on redemption and shall  
14 also bear interest at the rate of interest specified in the  
15 tax lien certificate.

16           "§40-10-194.

17           "(a) The tax ~~collector~~ collecting official shall,  
18 upon application to redeem a tax lien ~~sold under Act 95-408,~~  
19 and upon being satisfied that the person applying has the  
20 right to redeem the tax lien, and upon payment of the amount  
21 due, issue to the person a certificate of redemption appended  
22 to a copy of the certificate of tax lien ~~describing the parcel~~  
23 ~~on which the tax lien is redeemed,~~ giving the date of  
24 redemption, the amount paid, and by whom redeemed, and shall  
25 make the proper entries in the record of tax lien auctions or  
26 sales in his or her office.



1           "(b) For each certificate of redemption, the tax  
2 ~~collector~~ collecting official shall collect from the person to  
3 whom the certificate of redemption is issued a fee of ten  
4 dollars (\$10) ~~equal to the redemption fee charged for~~  
5 ~~redemption of property sold to the state.~~

6           "(c) The holder of a certificate of redemption may  
7 record the certificate with the recording officer of the  
8 county."

9           "§40-10-195.

10           "A person owning an interest less than the whole in  
11 real property may redeem a tax lien pursuant to Section  
12 40-10-193 ~~against his or her interest, if the interest can be~~  
13 ~~ascertained by legal description provided to the tax~~  
14 ~~collector, by paying the proportionate part of the whole~~  
15 ~~amount due, and shall receive a certificate of redemption for~~  
16 ~~his or her interest in the manner provided by Act 95-408.~~

17           "§40-10-196.

18           "Within 10 days of issuance of any certificate of  
19 redemption, the tax ~~collector~~ collecting official shall mail a  
20 copy of the certificate of redemption to the holder of the tax  
21 lien certificate related thereto at the address specified in  
22 the record of tax lien auctions and sales kept as provided in  
23 Section 40-10-188. On demand of ~~any person entitled to~~  
24 ~~redemption money held by the tax collector~~ the holder of the  
25 tax lien certificate, the tax ~~collector~~ collecting official  
26 shall pay the redemption money to the person holder upon  
27 surrender of the original tax lien certificate ~~for the~~

1 ~~redeemed tax lien. If only a portion of the tax lien on the~~  
2 ~~property described in the tax lien certificate has been~~  
3 ~~redeemed, the tax collector shall endorse on the tax lien~~  
4 ~~certificate the portion redeemed and the amount of money paid~~  
5 ~~to the holder of the tax lien certificate, and shall take a~~  
6 ~~receipt therefor.~~

7 "§40-10-197.

8 ~~"Each holder of a tax lien certificate, desiring to~~  
9 ~~have the probate court order the sale of property for the~~  
10 ~~payment of taxes, shall provide written notice to the tax~~  
11 ~~collector on or before February 1 which contains the following~~  
12 ~~information: (i) A description of the parcel to which the tax~~  
13 ~~lien certificate relates; (ii) the year of assessment to which~~  
14 ~~the tax lien certificate relates; (iii) the name and address~~  
15 ~~of the holder of the tax lien certificate; and (iv) a~~  
16 ~~statement by the holder of the tax lien certificate that he or~~  
17 ~~she is unable to collect the delinquent taxes described in his~~  
18 ~~or her tax lien certificate without a sale of the property and~~  
19 ~~requesting that the tax collector list the property in the~~  
20 ~~book of lands prepared pursuant to Section 40-10-2, and~~  
21 ~~delivered to the judge of probate pursuant to Section 40-10-3.~~

22 "(a) At any time not less than three years after the  
23 auction or sale of a tax lien but not later than 10 years  
24 after the auction or sale, if the tax lien is not redeemed,  
25 the holder of the tax lien certificate may bring in the  
26 circuit court of the county in which the property is located  
27 an action to foreclose the right to redeem. If any applicable

1 law or court order prohibits bringing an action to foreclose  
2 the right to redeem, the limitation provided in this section  
3 shall be extended 12 months following the termination of the  
4 prohibition.

5 "(b) (1) At least 30 days before filing an action to  
6 foreclose the right to redeem under this article, but not more  
7 than 180 days before the action is commenced, the holder of  
8 the tax lien certificate shall send notice of intent to file  
9 the foreclosure action by certified mail to all of the  
10 following:

11 "a. The property owner of record, according to the  
12 property tax records of the county in which the property is  
13 located, at the owner's address shown in the records and at  
14 the street address of the property if different.

15 "b. All holders of outstanding mortgages, judgment  
16 liens, or other lines on the property as recorded in the  
17 probate office of the county in which the property is located.

18 "c. The tax collecting official of the county in  
19 which the property is located.

20 "(2) The notice shall include the property owner's  
21 name, the Uniform Parcel Number, the legal description of the  
22 property, the name and address of the holder of the tax lien  
23 certificate, and a statement that the holder proposes to file  
24 an action to foreclose the tax lien between 30 and 180 days  
25 after the date of mailing of the notice. If the holder fails  
26 to send the notice required by this subsection, the court

1 shall dismiss any action filed to foreclose the right to  
2 redeem the property under this article.

3 "(c) The holder shall name as parties defendant to  
4 the foreclosure action all persons entitled to redeem under  
5 this article. Upon filing the foreclosure action, the holder  
6 shall file a notice as provided by Section 35-4-131.

7 "(d) (1) In an action to foreclose the right to  
8 redeem, if the court finds that the tax lien auction or sale  
9 is valid, that proper notice has been given, and that the tax  
10 lien has not been redeemed, the court shall enter judgment  
11 foreclosing the right of the defendant or defendants to redeem  
12 and shall direct the circuit clerk to execute and deliver to  
13 the party in whose favor judgment is entered a deed conveying  
14 the interests of the defendants in the property described in  
15 the tax lien certificate.

16 "(2) After entry of judgment, a party whose rights  
17 to redeem the tax lien are foreclosed has no further legal or  
18 equitable right, title, or interest in the property subject to  
19 the right of appeal and stay of execution as in other civil  
20 actions.

21 "(e) The foreclosure of the right to redeem does not  
22 extinguish any easement or right-of-way on or appurtenant to  
23 the property or rights of any public utility or governmental  
24 entity in the property, nor does it affect the rights of  
25 holders of prior tax lien certificates.

26 "(f) (1) The clerk's deed executed in accordance with  
27 subsection (d) shall include all of the following information:

1           "a. The date of the judgment.

2           "b. The number and style of the case.

3           "c. The name of the plaintiff who shall be known as  
4 the grantee.

5           "d. The legal description of the property.

6           "e. The Uniform Parcel Number of the property.

7           "f. The date of the conveyance.

8           "(2) The original deed shall be delivered to the  
9 plaintiff for recording in the probate records in the county  
10 in which the property is located.

11           "(g) Any person who is entitled to redeem under this  
12 article may redeem at any time before judgment is entered,  
13 notwithstanding that an action to foreclose has been  
14 commenced. If the person who redeems has been served  
15 personally or by publication in the action, or if the person  
16 became an owner after the action began and redeems after a  
17 notice is recorded pursuant to subsection (c), judgment shall  
18 be entered in favor of the plaintiff against the person for  
19 the costs incurred by the plaintiff in the action, including  
20 reasonable attorney fees to be determined by the court.

21           "(h) If a tax lien that was purchased pursuant to  
22 this article is not redeemed and the holder of the tax lien  
23 certificate fails to commence an action to foreclose the right  
24 of redemption on or before 10 years from the date of the tax  
25 lien certificate, the tax lien certificate shall expire and  
26 the lien shall become void.

1           "(i) If a judicial proceeding prohibits bringing an  
2 action to foreclose the right to redeem, the time of  
3 expiration under this section shall be extended by 12 months  
4 following the completion of the judicial proceeding.

5           "§40-10-198.

6           "(a) Each holder of a tax lien certificate shall be  
7 entitled to the same rights and remedies with respect to the  
8 collection of the amounts due on such tax lien certificate as  
9 are available to the tax ~~collector~~ collecting official with  
10 respect to the collection of delinquent taxes, including, but  
11 not limited to, the right to institute garnishment proceedings  
12 against the taxpayer for the payment of taxes.~~;~~ ~~furthermore,~~  
13 ~~the~~

14           "(b) The holder of a tax lien certificate shall not  
15 be entitled to charge the taxpayer for the release or  
16 satisfaction of the tax lien any amount more than what would  
17 otherwise have been available to the tax ~~collector~~ collecting  
18 official with respect to the collection of the delinquent  
19 tax."

20           Section 2. Sections 40-10-199 and 40-10-200 are  
21 added to the Code of Alabama 1975, to read as follows:

22           §40-10-199.

23           (a) Tax liens that are not sold at the tax lien  
24 auction conducted by the tax collecting official shall be  
25 separated in the tax lien auction list as prescribed by  
26 Section 40-10-183 and the county shall retain the lien  
27 pursuant to Section 40-1-3. The tax collecting official,

1 within 45 days after the tax lien auction date, may sell at  
2 private sale an unsold tax lien for no less than all taxes,  
3 interest, penalties, costs, and fees. The purchaser at private  
4 sale shall be entitled to interest on the amount paid at a  
5 rate agreed to by the tax collecting official, not to exceed  
6 12 percent. All private tax lien sales shall be entered in the  
7 record of tax lien auctions and sales, as provided in Section  
8 40-10-188.

9 (b) All tax liens that remain unsold by the tax lien  
10 auction or sale shall be included in all future tax lien  
11 auctions or sales until sold.

12 (c) Any tax lien that does not sell at auction shall  
13 be reported to the county commission when seeking approval of  
14 errors in assessments, litigations, or insolvents as the tax  
15 collecting official will be allowed credit for taxes due to  
16 this state upon final settlement with the Comptroller.

17 §40-10-200.

18 If any tax assessor, tax collecting official,  
19 commissioner of revenue, officer of the court with  
20 jurisdiction, or any employee of any of those offices is  
21 directly or indirectly concerned or has an interest in the  
22 purchase of any tax lien sold for delinquent taxes, the sale  
23 shall be void, and the sureties on his or her official bond  
24 shall be liable for a penalty not to exceed five hundred  
25 dollars (\$500) and to be fixed by the circuit judge with  
26 jurisdiction in the county. The penalty shall be remitted to  
27 the general fund of the county.

1                   Section 3. This act shall become effective on the  
2 first day of the third month following its passage and  
3 approval by the Governor, or its otherwise becoming law.